

EXHIBIT U
TO JOINT STATEMENT OF
UNDISPUTED FACTS



UnitedAmerica Insurance Group

Three Bala Plaza East
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Bala Cynwyd, PA 19004
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February 13, 2007

VIA UPS GROUND
AND U.S. FIRST CLASS MAIL

Diane Cruz
Direct Line: (610) 660-5473
dcruz@unitednat.com

Cirrus Medical Staffing, Inc.
4651 Charlotte Park Drive
Suite 400
Charlotte, NC 28217
Attn.: Greg Allen

Member Companies
Penn-America Group

Penn-America
Insurance Company

Penn-Star
Insurance Company

Penn-Patriot
Insurance Company

United National Group

United National
Insurance Company¹

Diamond State
Insurance Company²

United National Specialty
Insurance Company³

United National Casualty
Insurance Company⁴

A member of
UnitedAmerica Indemnity, Ltd.

Re:	Insured:	Cirrus Allied Health, LLC
	Plaintiff:	Ben Tracy, as Personal Representative of The Estate of Marilyn Tracy, Deceased
	Policy #:	AH0000267
	Eff. Dates:	1/27/06 — 1/27/07
	Retro Date:	6/1/02
	File#:	06008669
	Date/Event:	10/7/04
	Date/Report:	3/29/06

Dear Mr. Allen:

DISCLAIMER OF COVERAGE

This letter is in response to notice received of a lawsuit filed in the action of *Ben Tracy, as Personal Representative of the Estate of Marilyn Tracy, deceased v. Lovelace Sandia Health Services, d/b/a Albuquerque Regional Medical Center, Cirrus Medical Staffing and Health Resources Network Services, Inc. pending in the 2K Judicial District, Bernalillo County, New Mexico* under docket number CV 2005 07009. This letter is intended to supplement and incorporate all previous correspondence regarding this claim, including my October 6, 2006 letter to you.

As previously indicated, United National reserved the right to reevaluate coverage for this claim. We have reviewed the materials that were submitted, and have determined that there is no coverage under the policy for the claim for at least the reasons discussed below.

Under the insuring agreement, the policy states that the policy will apply only to a claim for damages to which no other insurance applies:

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SECTION I - PROFESSIONAL LIABILITY COVERAGE

1. Insuring Agreement

We will pay those sums that the insured becomes legally obligated to pay as "compensatory damages" as a result of a "wrongful act". This insurance applies to injury only if a "claim" for damages to which no other insurance applies, because of the injury is first made against the insured and reported to us during the "policy period". This insurance does not apply to injury caused by a "wrongful act" that takes place outside of the "covered territory" or was committed before the Retroactive Date shown in the Declarations or after the "policy period". . . .

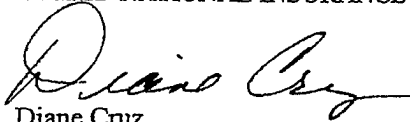
We understand that Fireman's Fund Insurance Company has been handling the defense of this matter under a Health Care Professional Liability claims made policy issued by Interstate Fire & Casualty Company for the period 01/27/2005-01/27/2006. That policy is also a claims made policy that applies to damages for claims first made against the insured and reported to the company during the policy period. The United National policy did not incept until the Interstate Fire & Casualty policy expired on 01/27/2006. Accordingly, pursuant to the terms of the United National policy, there is no coverage for this claim under the United National policy.

United National continues to reserve all of its rights under the policy. United National also reserves the right to reevaluate coverage on any alternative and/or additional basis in the event that factual evidence develops or is presented as relates to you or your practice.

United National remains willing to evaluate any additional facts or relevant legal authority that may bear on coverage. Should you have any questions or concerns regarding any of the above, I can be reached Monday through Friday between the hours of 8:00 am and 4:30 pm. I thank you for your attention to these matters.

Very truly yours,

UNITED NATIONAL INSURANCE COMPANY



Diane Cruz
Senior Professional Liability Examiner